

AMENDED IN ASSEMBLY APRIL 28, 2010

AMENDED IN ASSEMBLY APRIL 8, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2406

Introduced by Assembly Member Blakeslee

February 19, 2010

~~An act to amend Section 33334.2 of, and to add Section 33670.6 to, the~~ *An act to add Section 33334.25 to the Health and Safety Code, relating to redevelopment.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2406, as amended, Blakeslee. ~~Grover Beach and Arroyo Grande Redevelopment Agencies~~ *Redevelopment*: pooled housing funds.

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined, in blighted areas in those communities known as project areas. Section 16 of Article XVI of the California Constitution authorizes a redevelopment agency to receive funding through tax increments attributable to increases in assessed property tax valuation of property in a project area due to redevelopment. Not less than 20% of tax increments generated from a project area are required to be used by a redevelopment agency to increase and improve the community's supply of low- and moderate-income housing.

This bill would authorize contiguous agencies located within adjoining cities in a metropolitan statistical area to create and participate in a joint powers authority in order to pool their housing funds to pay for the direct costs of constructing, substantially rehabilitating, and

preserving the affordability of housing units affordable to extremely low income persons or households, as defined.

The bill would require that specified terms and conditions be set forth in a mutually binding contract between the joint powers authority and each participating agency and a receiving entity for the use and transfer of pooled housing funds. The bill would also require that pooled housing funds be spent within a project area of a participating agency and would also prohibit the creation of a new joint project funded pursuant to its provisions on and after January 1, 2020.

~~This bill would authorize the Grover Beach Redevelopment Agency and the Arroyo Grande Redevelopment Agency to combine these funds and use them anywhere within the incorporated limits of the City of Grover Beach and the City of Arroyo Grande for capital outlay. The bill would require the agency to use these combined funds outside the project area upon a resolution of the agency and the city council determining that the use will be of benefit to the redevelopment project area. The bill would state the findings and declarations of the Legislature concerning the need for special legislation.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 33334.25 is added to the Health and
- 2 Safety Code, to read:
- 3 33334.25. (a) The Legislature finds and declares all of the
- 4 following:
- 5 (1) The transfer of funds to a joint powers authority and the use
- 6 of pooled funds within the housing market area of the participating
- 7 agencies for the purpose of providing affordable housing is of
- 8 benefit to the project area producing the tax increment.
- 9 (2) The cost and availability of land, geophysical and
- 10 environmental limitations, community patterns, and the lack of
- 11 financing make the availability of affordable housing more difficult
- 12 in some communities.
- 13 (3) The cooperation of local agencies and the use of pooled
- 14 funds will result in more resources than would otherwise be
- 15 available for affordable housing.
- 16 (b) As used in this section, the following terms shall apply:

1 (1) “Housing funds” means funds in or from the low- and
2 moderate-income housing fund established by an agency pursuant
3 to Section 33334.3.

4 (2) “Joint powers authority” means a joint powers authority
5 created pursuant to Chapter 5 (commencing with Section 6500)
6 of Division 7 of Title 1 of the Government Code for the purposes
7 of receiving and using housing funds pursuant to this section.

8 (3) “Receiving entity” means any person, partnership, joint
9 venture, corporation, governmental body, or other organization
10 receiving housing funds from a joint powers authority for the
11 purpose of providing housing pursuant to this section.

12 (c) Notwithstanding any other provision of law, contiguous
13 agencies located within adjoining cities within a single
14 metropolitan statistical area (MSA) may, by agreement, create
15 and participate in a joint powers authority for the purpose of
16 pooling their housing funds for the direct costs of constructing,
17 substantially rehabilitating, and preserving the affordability of
18 housing units that are affordable to extremely low income
19 households, as defined in Section 50106. Agencies may participate
20 in the authority upon a finding based on substantial evidence, after
21 a public hearing, that the aggregation will not cause or exacerbate
22 racial, ethnic, or economic segregation. Agencies may transfer a
23 portion of their housing funds to a joint powers authority for use
24 by the joint powers authority pursuant to this section. The joint
25 powers authority may determine the kinds of housing projects or
26 activities to be assisted, consistent with this section. The joint
27 powers authority may loan, grant, or advance transferred housing
28 funds from participating agencies to a receiving entity for any
29 eligible housing development within the participating agency’s
30 jurisdiction, subject to the requirements of this section. In addition,
31 the agreement may authorize the joint powers authority to issue
32 bonds and to use the pooled funds to leverage other funds to assist
33 eligible developments, including loans from private institutions
34 and assistance provided by other governmental agencies.

35 (d) A mutually binding agreement between the joint powers
36 authority and each participating agency shall contain the following
37 terms and conditions:

38 (1) The community of each participating agency shall have
39 adopted up-to-date housing elements pursuant to Article 10.6
40 (commencing with Section 65580) of Division 1 of Title 7 of the

1 *Government Code, and the housing elements have been determined*
2 *to be in compliance with the law by the Department of Housing*
3 *and Community Development.*

4 *(2) The community of each participating agency shall have met,*
5 *in its current or previous housing element cycle, 50 percent or*
6 *more of its share of the region's affordable housing needs, as*
7 *defined in Section 65584 of the Government Code, in the very low*
8 *and lower income categories of income groups defined in Section*
9 *50025.5.*

10 *(3) Each participating agency shall hold, at least 45 days prior*
11 *to the transfer of funds to the joint powers authority, a public*
12 *hearing, after providing notice pursuant to Section 6062 of the*
13 *Government Code to solicit public comments on the draft*
14 *agreement.*

15 *(4) No housing funds shall be transferred from a project area*
16 *that has an indebtedness to its low and moderate-income housing*
17 *fund pursuant to Section 33334.6.*

18 *(5) No housing funds shall be transferred from an agency that*
19 *has not met its need for replacement housing pursuant to Section*
20 *33413, unless the agency has encumbered and contractually*
21 *committed sufficient funds to meet those requirements.*

22 *(6) Pooled funds shall be used within the participating agencies'*
23 *jurisdictions.*

24 *(7) The joint powers authority shall comply with this section.*

25 *(8) The joint powers authority shall ensure that the funds it*
26 *receives are used in accordance with this section.*

27 *(9) Funds transferred by an agency to a joint powers authority*
28 *pursuant to this section shall be expended or encumbered by the*
29 *joint powers authority for the purposes of this section within two*
30 *years of the transfer. Transferred funds not so expended or*
31 *encumbered by the joint powers authority within two years after*
32 *the transfer shall be returned to the original agency and shall be*
33 *deemed excess surplus funds as provided in, and subject to, the*
34 *requirements of Sections 33334.10 and 33334.12. Excess surplus*
35 *funds held by an agency shall not be transferred to a joint powers*
36 *authority.*

37 *(10) The joint powers authority shall prepare and submit an*
38 *annual report to the department that documents the amount of*
39 *housing funds received and expended or allocated for specific*
40 *housing assistance activities consistent with Section 33080.4.*

1 (e) A mutually binding contract between the joint powers
2 authority and a receiving entity shall contain the following terms
3 and conditions:

4 (1) Pooled housing funds shall be used only to pay for the direct
5 costs of constructing, substantially rehabilitating, or preserving
6 the affordability of housing units that are affordable to extremely
7 low income persons or households.

8 (2) Pooled housing funds shall not be used to pay for planning
9 and administrative costs, offsite improvements associated with a
10 housing project, or fees or exactions levied solely for development
11 projects constructed, substantially rehabilitated, or preserved with
12 pooled funds. The receiving entity shall be subject to the same
13 replacement requirements provided in Section 33413 and any
14 relocation requirements applicable pursuant to Section 7260 of
15 the Government Code.

16 (3) The joint powers authority shall make findings, based on
17 substantial evidence on the record, that each proposed use of
18 pooled funds will not exacerbate racial or economic segregation.

19 (f) Pooled funds expended pursuant to this section shall be spent
20 within the project area of a participating redevelopment agency.

21 (g) On or after January 1, 2020, no new joint project may be
22 created pursuant to this section.

23 ~~SECTION 1. Section 33334.2 of the Health and Safety Code~~
24 ~~is amended to read:~~

25 ~~33334.2. (a) Except as provided in subdivision (k), not less~~
26 ~~than 20 percent of all taxes that are allocated to the agency pursuant~~
27 ~~to Section 33670 shall be used by the agency for the purposes of~~
28 ~~increasing, improving, and preserving the community's supply of~~
29 ~~low- and moderate-income housing available at affordable housing~~
30 ~~cost, as defined by Section 50052.5, to persons and families of~~
31 ~~low or moderate income, as defined in Section 50093, lower~~
32 ~~income households, as defined by Section 50079.5, very low~~
33 ~~income households, as defined in Section 50105, and extremely~~
34 ~~low income households, as defined by Section 50106, that is~~
35 ~~occupied by these persons and families, unless one of the following~~
36 ~~findings is made annually by resolution:~~

37 ~~(1) (A) That no need exists in the community to improve,~~
38 ~~increase, or preserve the supply of low- and moderate-income~~
39 ~~housing, including housing for very low income households in a~~
40 ~~manner that would benefit the project area and that this finding is~~

1 consistent with the housing element of the community's general
2 plan required by Article 10.6 (commencing with Section 65580)
3 of Chapter 3 of Division 1 of Title 7 of the Government Code,
4 including its share of the regional housing needs of very low
5 income households and persons and families of low or moderate
6 income.

7 (B) This finding shall only be made if the housing element of
8 the community's general plan demonstrates that the community
9 does not have a need to improve, increase, or preserve the supply
10 of low- and moderate-income housing available at affordable
11 housing cost to persons and families of low or moderate income
12 and to very low income households. This finding shall only be
13 made if it is consistent with the planning agency's annual report
14 to the legislative body on implementation of the housing element
15 required by subdivision (b) of Section 65400 of the Government
16 Code. No agency of a charter city shall make this finding unless
17 the planning agency submits the report pursuant to subdivision (b)
18 of Section 65400 of the Government Code. This finding shall not
19 take effect until the agency has complied with subdivision (b) of
20 this section.

21 (2) (A) That some stated percentage less than 20 percent of the
22 taxes that are allocated to the agency pursuant to Section 33670
23 is sufficient to meet the housing needs of the community, including
24 its share of the regional housing needs of persons and families of
25 low- or moderate-income and very low income households, and
26 that this finding is consistent with the housing element of the
27 community's general plan required by Article 10.6 (commencing
28 with Section 65580) of Chapter 3 of Division 1 of Title 7 of the
29 Government Code.

30 (B) This finding shall only be made if the housing element of
31 the community's general plan demonstrates that a percentage of
32 less than 20 percent will be sufficient to meet the community's
33 need to improve, increase, or preserve the supply of low- and
34 moderate-income housing available at affordable housing cost to
35 persons and families of low or moderate income and to very low
36 income households. This finding shall only be made if it is
37 consistent with the planning agency's annual report to the
38 legislative body on implementation of the housing element required
39 by subdivision (b) of Section 65400 of the Government Code. No
40 agency of a charter city shall make this finding unless the planning

1 agency submits the report pursuant to subdivision (b) of Section
2 65400 of the Government Code. This finding shall not take effect
3 until the agency has complied with subdivision (b) of this section.

4 (C) For purposes of making the findings specified in this
5 paragraph and paragraph (1), the housing element of the general
6 plan of a city, county, or city and county shall be current, and shall
7 have been determined by the department pursuant to Section 65585
8 to be in substantial compliance with Article 10.6 (commencing
9 with Section 65580) of Chapter 3 of Division 1 of Title 7 of the
10 Government Code.

11 (3) (A) That the community is making a substantial effort to
12 meet its existing and projected housing needs, including its share
13 of the regional housing needs, with respect to persons and families
14 of low and moderate income, particularly very low income
15 households, as identified in the housing element of the
16 community's general plan required by Article 10.6 (commencing
17 with Section 65580) of Chapter 3 of Division 1 of Title 7 of the
18 Government Code, and that this effort, consisting of direct financial
19 contributions of local funds used to increase and improve the
20 supply of housing affordable to, and occupied by, persons and
21 families of low or moderate income and very low income
22 households is equivalent in impact to the funds otherwise required
23 to be set aside pursuant to this section. In addition to any other
24 local funds, these direct financial contributions may include federal
25 or state grants paid directly to a community and that the community
26 has the discretion of using for the purposes for which moneys in
27 the Low and Moderate Income Housing Fund may be used. The
28 legislative body shall consider the need that can be reasonably
29 foreseen because of displacement of persons and families of low
30 or moderate income or very low income households from within,
31 or adjacent to, the project area, because of increased employment
32 opportunities, or because of any other direct or indirect result of
33 implementation of the redevelopment plan. No finding under this
34 subdivision may be made until the community has provided or
35 ensured the availability of replacement dwelling units as defined
36 in Section 33411.2 and until it has complied with Article 9
37 (commencing with Section 33410).

38 (B) In making the determination that other financial
39 contributions are equivalent in impact pursuant to this subdivision,
40 the agency shall include only those financial contributions that are

1 directly related to programs or activities authorized under
2 subdivision (e).

3 (C) The authority for making the finding specified in this
4 paragraph shall expire on June 30, 1993, except that the expiration
5 shall not be deemed to impair contractual obligations to
6 bondholders or private entities incurred prior to May 1, 1991, and
7 made in reliance on the provisions of this paragraph. Agencies that
8 make this finding after June 30, 1993, shall show evidence that
9 the agency entered into the specific contractual obligation with
10 the specific intention of making a finding under this paragraph in
11 order to provide sufficient revenues to pay off the indebtedness.

12 (b) Within 10 days following the making of a finding under
13 either paragraph (1) or (2) of subdivision (a), the agency shall send
14 the Department of Housing and Community Development a copy
15 of the finding, including the factual information supporting the
16 finding and other factual information in the housing element that
17 demonstrates that either (1) the community does not need to
18 increase, improve, or preserve the supply of housing for low- and
19 moderate-income households, including very low income
20 households, or (2) a percentage less than 20 percent will be
21 sufficient to meet the community's need to improve, increase, and
22 preserve the supply of housing for low- and moderate-income
23 households, including very low income households. Within 10
24 days following the making of a finding under paragraph (3) of
25 subdivision (a), the agency shall send the Department of Housing
26 and Community Development a copy of the finding, including the
27 factual information supporting the finding that the community is
28 making a substantial effort to meet its existing and projected
29 housing needs. Agencies that make this finding after June 30, 1993,
30 shall also submit evidence to the department of its contractual
31 obligations with bondholders or private entities incurred prior to
32 May 1, 1991, and made in reliance on this finding.

33 (e) In any litigation to challenge or attack a finding made under
34 paragraph (1), (2), or (3) of subdivision (a), the burden shall be
35 upon the agency to establish that the finding is supported by
36 substantial evidence in light of the entire record before the agency.
37 If an agency is determined by a court to have knowingly
38 misrepresented any material facts regarding the community's share
39 of its regional housing need for low- and moderate-income housing,
40 including very low income households, or the community's

1 production record in meeting its share of the regional housing need
2 pursuant to the report required by subdivision (b) of Section 65400
3 of the Government Code, the agency shall be liable for all court
4 costs and plaintiff's attorney's fees, and shall be required to allocate
5 not less than 25 percent of the agency's tax increment revenues to
6 its Low and Moderate Income Housing Fund in each year
7 thereafter.

8 (d) ~~Nothing in this section shall be construed as relieving any~~
9 ~~other public entity or entity with the power of eminent domain of~~
10 ~~any legal obligations for replacement or relocation housing arising~~
11 ~~out of its activities.~~

12 (e) ~~In carrying out the purposes of this section, the agency may~~
13 ~~exercise any or all of its powers for the construction, rehabilitation,~~
14 ~~or preservation of affordable housing for extremely low, very low,~~
15 ~~low- and moderate-income persons or families, including the~~
16 ~~following:~~

17 (1) ~~Acquire real property or building sites subject to Section~~
18 ~~33334.16.~~

19 (2) (A) ~~Improve real property or building sites with onsite or~~
20 ~~offsite improvements, but only if both (i) the improvements are~~
21 ~~part of the new construction or rehabilitation of affordable housing~~
22 ~~units for low- or moderate-income persons that are directly~~
23 ~~benefited by the improvements, and are a reasonable and~~
24 ~~fundamental component of the housing units, and (ii) the agency~~
25 ~~requires that the units remain available at affordable housing cost~~
26 ~~to, and occupied by, persons and families of extremely low, very~~
27 ~~low, low, or moderate income for the same time period and in the~~
28 ~~same manner as provided in subdivision (c) and paragraph (2) of~~
29 ~~subdivision (f) of Section 33334.3.~~

30 (B) ~~If the newly constructed or rehabilitated housing units are~~
31 ~~part of a larger project and the agency improves or pays for onsite~~
32 ~~or offsite improvements pursuant to the authority in this~~
33 ~~subdivision, the agency shall pay only a portion of the total cost~~
34 ~~of the onsite or offsite improvement. The maximum percentage~~
35 ~~of the total cost of the improvement paid for by the agency shall~~
36 ~~be determined by dividing the number of housing units that are~~
37 ~~affordable to low- or moderate-income persons by the total number~~
38 ~~of housing units, if the project is a housing project, or by dividing~~
39 ~~the cost of the affordable housing units by the total cost of the~~
40 ~~project, if the project is not a housing project.~~

1 ~~(3) Donate real property to private or public persons or entities.~~

2 ~~(4) Finance insurance premiums pursuant to Section 33136.~~

3 ~~(5) Construct buildings or structures.~~

4 ~~(6) Acquire buildings or structures.~~

5 ~~(7) Rehabilitate buildings or structures.~~

6 ~~(8) Provide subsidies to, or for the benefit of, extremely low~~
7 ~~income households, as defined by Section 50106, very low income~~
8 ~~households, as defined by Section 50105, lower income~~
9 ~~households, as defined by Section 50079.5, or persons and families~~
10 ~~of low or moderate income, as defined by Section 50093, to the~~
11 ~~extent those households cannot obtain housing at affordable costs~~
12 ~~on the open market. Housing units available on the open market~~
13 ~~are those units developed without direct government subsidies.~~

14 ~~(9) Develop plans, pay principal and interest on bonds, loans,~~
15 ~~advances, or other indebtedness, or pay financing or carrying~~
16 ~~charges.~~

17 ~~(10) Maintain the community's supply of mobilehomes.~~

18 ~~(11) Preserve the availability to lower income households of~~
19 ~~affordable housing units in housing developments that are assisted~~
20 ~~or subsidized by public entities and that are threatened with~~
21 ~~imminent conversion to market rates.~~

22 ~~(f) The agency may use these funds to meet, in whole or in part,~~
23 ~~the replacement housing provisions in Section 33413. However,~~
24 ~~nothing in this section shall be construed as limiting in any way~~
25 ~~the requirements of that section.~~

26 ~~(g) (1) The agency may use these funds inside or outside the~~
27 ~~project area. The agency may only use these funds outside the~~
28 ~~project area upon a resolution of the agency and the legislative~~
29 ~~body that the use will be of benefit to the project. The~~
30 ~~determination by the agency and the legislative body shall be final~~
31 ~~and conclusive as to the issue of benefit to the project area. The~~
32 ~~Legislature finds and declares that the provision of replacement~~
33 ~~housing pursuant to Section 33413 is always of benefit to a project.~~
34 ~~Unless the legislative body finds, before the redevelopment plan~~
35 ~~is adopted, that the provision of low- and moderate-income housing~~
36 ~~outside the project area will be of benefit to the project, the project~~
37 ~~area shall include property suitable for low- and moderate-income~~
38 ~~housing.~~

39 ~~(2) (A) The Contra Costa County Redevelopment Agency may~~
40 ~~use these funds anywhere within the unincorporated territory, or~~

1 within the incorporated limits of the City of Walnut Creek on sites
2 contiguous to the Pleasant Hill BART Station Area Redevelopment
3 Project area. The agency may only use these funds outside the
4 project area upon a resolution of the agency and board of
5 supervisors determining that the use will be of benefit to the project
6 area. In addition, the agency may use these funds within the
7 incorporated limits of the City of Walnut Creek only if the agency
8 and the board of supervisors find all of the following:

9 (i) Both the County of Contra Costa and the City of Walnut
10 Creek have adopted and are implementing complete and current
11 housing elements of their general plans that the Department of
12 Housing and Community Development has determined to be in
13 compliance with the requirements of Article 10.6 (commencing
14 with Section 65580) of Chapter 3 of Division 1 of Title 7 of the
15 Government Code.

16 (ii) The development to be funded shall not result in any
17 residential displacement from the site where the development is
18 to be built.

19 (iii) The development to be funded shall not be constructed in
20 an area that currently has more than 50 percent of its population
21 comprised of racial minorities or low-income families.

22 (iv) The development to be funded shall allow construction of
23 affordable housing closer to a rapid transit station than could be
24 constructed in the unincorporated territory outside the Pleasant
25 Hill BART Station Area Redevelopment Project.

26 (B) If the agency uses these funds within the incorporated limits
27 of the City of Walnut Creek, all of the following requirements
28 shall apply:

29 (i) The funds shall be used only for the acquisition of land for,
30 and the design and construction of, the development of housing
31 containing units affordable to, and occupied by, low- and
32 moderate-income persons.

33 (ii) If less than all the units in the development are affordable
34 to, and occupied by, low- or moderate-income persons, any agency
35 assistance shall not exceed the amount needed to make the housing
36 affordable to, and occupied by, low- or moderate-income persons.

37 (iii) The units in the development that are affordable to, and
38 occupied by, low- or moderate-income persons shall remain
39 affordable for a period of at least 55 years.

1 ~~(iv) The agency and the City of Walnut Creek shall determine,~~
2 ~~if applicable, whether Article XXXIV of the California Constitution~~
3 ~~permits the development.~~

4 ~~(h) The Legislature finds and declares that expenditures or~~
5 ~~obligations incurred by the agency pursuant to this section shall~~
6 ~~constitute an indebtedness of the project.~~

7 ~~(i) This section shall only apply to taxes allocated to a~~
8 ~~redevelopment agency for which a final redevelopment plan is~~
9 ~~adopted on or after January 1, 1977, or for any area that is added~~
10 ~~to a project by an amendment to a redevelopment plan, which~~
11 ~~amendment is adopted on or after the effective date of this section.~~
12 ~~An agency may, by resolution, elect to make all or part of the~~
13 ~~requirements of this section applicable to any redevelopment~~
14 ~~project for which a redevelopment plan was adopted prior to~~
15 ~~January 1, 1977, subject to any indebtedness incurred prior to the~~
16 ~~election.~~

17 ~~(j) (1) (A) An action to compel compliance with the~~
18 ~~requirement of Section 33334.3 to deposit not less than 20 percent~~
19 ~~of all taxes that are allocated to the agency pursuant to Section~~
20 ~~33670 in the Low and Moderate Income Housing Fund shall be~~
21 ~~commenced within 10 years of the alleged violation. A cause of~~
22 ~~action for a violation accrues on the last day of the fiscal year in~~
23 ~~which the funds were required to be deposited in the Low and~~
24 ~~Moderate Income Housing Fund.~~

25 ~~(B) An action to compel compliance with the requirement of~~
26 ~~this section or Section 33334.6 that money deposited in the Low~~
27 ~~and Moderate Income Housing Fund be used by the agency for~~
28 ~~purposes of increasing, improving, and preserving the community's~~
29 ~~supply of low- and moderate-income housing available at~~
30 ~~affordable housing cost shall be commenced within 10 years of~~
31 ~~the alleged violation. A cause of action for a violation accrues on~~
32 ~~the date of the actual expenditure of the funds.~~

33 ~~(C) An agency found to have deposited less into the Low and~~
34 ~~Moderate Income Housing Fund than mandated by Section 33334.3~~
35 ~~or to have spent money from the Low and Moderate Income~~
36 ~~Housing Fund for purposes other than increasing, improving, and~~
37 ~~preserving the community's supply of low- and moderate-income~~
38 ~~housing, as mandated, by this section or Section 33334.6 shall~~
39 ~~repay the funds with interest in one lump sum pursuant to Section~~

1 970.4 or 970.5 of the Government Code or may do either of the
2 following:

3 (i) Petition the court under Section 970.6 for repayment in
4 installments.

5 (ii) Repay the portion of the judgment due to the Low and
6 Moderate Income Housing Fund in equal installments over a period
7 of five years following the judgment.

8 (2) Repayment shall not be made from the funds required to be
9 set aside or used for low- and moderate-income housing pursuant
10 to this section.

11 (3) Notwithstanding clauses (i) and (ii) of subparagraph (C) of
12 paragraph (1), all costs, including reasonable attorney's fees if
13 included in the judgment, are due and shall be paid upon entry of
14 judgment or order.

15 (4) Except as otherwise provided in this subdivision, Chapter
16 2 (commencing with Section 970) of Part 5 of Division 3.6 of Title
17 1 of the Government Code for the enforcement of a judgment
18 against a local public entity applies to a judgment against a local
19 public entity that violates this section.

20 (5) This subdivision applies to actions filed on and after January
21 1, 2006.

22 (6) The limitations period specified in subparagraphs (A) and
23 (B) of paragraph (1) does not apply to a cause of action brought
24 pursuant to Chapter 9 (commencing with Section 860) of Title 10
25 of Part 2 of the Code of Civil Procedure.

26 (k) (1) From July 1, 2009, to June 30, 2010, inclusive, an agency
27 may suspend all or part of its required allocation to the Low and
28 Moderate Income Housing Fund from taxes that are allocated to
29 that agency pursuant to Section 33670.

30 (2) An agency that suspends revenue pursuant to paragraph (1)
31 shall pay back to its low- and moderate-income housing fund the
32 amount of revenue that was suspended in the 2009-10 fiscal year
33 pursuant to this subdivision from July 1, 2010, to June 30, 2015,
34 inclusive.

35 (3) An agency that suspends revenue pursuant to paragraph (1)
36 and fails to repay or have repaid on its behalf the amount of revenue
37 suspended pursuant to paragraph (2) shall, commencing July 1,
38 2015, be required to allocate an additional 5 percent of all taxes
39 that are allocated to that agency pursuant to Section 33670 for low-
40 and moderate-income housing for the remainder of the time that

1 the agency receives allocations of tax revenue pursuant to Section
2 33670.

3 ~~(4) An agency that fails to pay or have paid on its behalf the~~
4 ~~full amount calculated pursuant to subparagraph (J) of paragraph~~
5 ~~(2) of subdivision (a) of Section 33690, or subparagraph (J) of~~
6 ~~paragraph (2) of subdivision (a) of Section 33690.5, as the case~~
7 ~~may be, shall, commencing July 1, 2010, or July 1, 2011, as~~
8 ~~applicable, be required to allocate an additional 5 percent of all~~
9 ~~taxes that are allocated to that agency pursuant to Section 33670~~
10 ~~for low- and moderate-income housing for the remainder of the~~
11 ~~time that the agency receives allocations of tax revenue pursuant~~
12 ~~to Section 33670.~~

13 ~~(I) The Grover Beach Redevelopment Agency and the Arroyo~~
14 ~~Grande Redevelopment Agency may combine these funds and use~~
15 ~~them anywhere within the incorporated limits of the City of Grover~~
16 ~~Beach and the City of Arroyo Grande. An agency may only use~~
17 ~~these combined funds outside the project area upon a resolution~~
18 ~~of the agency and the city council determining that the use will be~~
19 ~~of benefit to the redevelopment project area. Funds may not be~~
20 ~~used for this purpose until each city is determined by the~~
21 ~~Department of Housing and Community Development to be in~~
22 ~~compliance with the state housing element.~~

23 ~~SEC. 2. Section 33670.6 is added to the Health and Safety~~
24 ~~Code, to read:~~

25 ~~33670.6. With respect to funds allocated pursuant to Section~~
26 ~~33670, the Grover Beach Redevelopment Agency and the Arroyo~~
27 ~~Grande Redevelopment Agency may combine these funds and use~~
28 ~~them anywhere within the incorporated limits of the City of Grover~~
29 ~~Beach and the City of Arroyo Grande. An agency may only use~~
30 ~~these combined funds outside the project area upon a resolution~~
31 ~~of the agency and the city council determining that the use will be~~
32 ~~of benefit to the redevelopment project area. Funds may not be~~
33 ~~used for this purpose until each city is determined by the~~
34 ~~Department of Housing and Community Development to be in~~
35 ~~compliance with the state housing element.~~

36 ~~SEC. 3. The Legislature finds and declares that this act is a~~
37 ~~special law that is necessary because a general law cannot be made~~
38 ~~applicable within the meaning of Section 16 of Article IV of the~~
39 ~~California Constitution because of the unique circumstances of~~

- 1 ~~the Grover Beach Redevelopment Agency and the Arroyo Grande~~
- 2 ~~Redevelopment Agency.~~

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